

April 16, 1999

Ms. Donna M. Caton
Chief Clerk
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, Illinois 62794

Dear Ms. Caton:

Enclosed for filing are an original and three copies of Illinois Power Company's ("Illinois Power" or "Company") Notice that it is transferring its fossil generating station assets to Illinova Corporation, pursuant to Section 16-111(g) of the Public Utilities Act ("Act"). Illinova Corporation will then transfer these assets to a wholly-owned subsidiary, Illinova Power Marketing, Inc., which is referred to in this filing as WESCO.

IP is transferring the assets listed in the Assets and Liabilities Transferred section of this filing to Illinova. This transfer will occur either on September 1, 1999, or the date that all necessary approvals have been obtained, but in any event no earlier than May 16, 1999. September 1, 1999 is the earliest date that the Power Purchase Agreement ("PPA") between WESCO and Illinois Power can go into effect.

Included as part of this Notice Filing are the following information and materials, which include the information required to be included in this filing per Section 16-111(g). These include 1) a statement that the fuel adjustment clause has been eliminated; 2) a statement of the Company's projected earned rate of return on common equity, calculated in accordance with Section 16-111(d), for the years 1999-2004; 3) accounting entries for the transfer and certification from an independent CPA that the accounting entries are in accordance with generally accepted accounting principles; 4) a statement from the Company's chief accounting officer that the cost allocations associated with the transaction are in conformance with guidelines previously approved by the Commission; 5) a description of how proceeds of the transfer will be used; 6) a list of all Federal and State approvals that Illinois Power has obtained or will obtain before implementing the transfer; 7) an irrevocable commitment that Illinois Power will not, as a result of the transfer, impose any additional transition charges or stranded cost charges

beyond what is authorized under the Act; 8) the Power Purchase Agreement between Illinois Power and WESCO; 9) an interim Services and Facilities Agreement between IP and WESCO; 10) a demonstration that Illinois Power will meet its service obligations under the Act in a safe and reliable manner; and 11) a demonstration that there is not a strong likelihood that Illinois Power will qualify to seek a rate increase pursuant to Section 16-111(d).

Please time-stamp and return the extra enclosed copy of this filing. Thank you.

Very truly yours,

Robert F. Flider
Director-Regulatory Affairs

Attachments